HOW TO CAPTURE GERMAN TRADE



The Standard.
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INTRODUCTION

Britain's Opportunity

Every day the war is prolonged Germany and Austria lose about three million pounds in overseas trade. Neither export nor import trade can proceed while the Allies' navies command the sea. It is a situation which the Teuton and his friend did not foresee, and which is even now exercising great pressure upon their countries. The commercial community of Germany has been hit with tremendous effect already. Before the conflict is over it will have some idea of the price which has to be paid for the arrogant and aggressive militarism of Kaiser Wilhelm II.

Throughout that part of the world which is free from war British agents are busily occupied in arranging the attack upon the enemies' commerce, and a general advance is the order of the day. Obvious difficulties stand in the way of an immediate assault at every point. The interval,

therefore, is being employed for the acquisition of data, as complete as possible, concerning the position that has to be taken. Minor successes here and there are, of course, to be recorded. It is inevitable, for example, that many contracts allotted by British public bodies to German firms should be cancelled, and that goods urgently needed should be ordered from this country merely because Germany cannot supply them. However gratifying these things may be, they happen quite apart from any systematic and organised effort at capture on our part.

The Government supplies much useful information to manufacturers—information accompanied by advice as to the methods whereby the Fatherland built up its immense volume of world-trade. Germany must lose not merely existing contracts, but prospective contracts in all spheres of activity. As an example of the effect of war may be mentioned the fact that a Manchester firm have, since the war broke out, secured from South America a £10,000 order that in ordinary times would have been given to a German rival.

In regard to home trade, at present we import from Germany large quantities of goods which we can well make. Among them, says the *Evening Standard*, are the following (the figures give the value of the imports in 1912) :—

	£
Cotton piece goods	1,495,522
Cotton gloves	538,949
Cotton hosiery	1,575,257
Cotton lace	1,004,537
Cotton ribbons and trimmings	667,385
Electrical goods	812,224
Electrical machinery	765,055
Sewing machines	117,737
Other machinery	1,449,205
Iron and steel manufactures	5,888,857
Silk manufactures	2,017,305
Woollen manufactures	1,813,458
Toys and games	1,034,781
Hardware	910,740

Thus there will be something to be set against the loss of our export trade to Germany, and to replace it in the labour market. Meanwhile the Germans lose between sixty and seventy millions by the failure of her exports to us alone.

From the Commercial Intelligence Department of the Board of Trade circulars have been issued to the following effect :—

In view of the cessation of imports from Germany and Austria-Hungary and the fact that there are many articles hitherto imported from these countries of importance, if not of necessity, to British manufacturers, information is invited

by the Commercial Intelligence Branch of the Board of Trade from importers of such articles as to their precise nature and quality, in order that steps may be taken to ascertain whether similar goods might be produced in this country, and, if so, where; or, if not, from what neutral sources they could be obtained.

Doubtless in a large number of cases importers have already taken steps to inform themselves on these points, but from cases which have come under the notice of the Commercial Intelligence Branch, it is believed that in some instances it has not proved an easy matter to obtain the necessary information, and it is thought that in such cases the branch may be able to render some assistance.

Communications should be addressed to the Director of the Commercial Intelligence Branch of the Board of Trade, 73, Basinghall Street, E.C.

CHAPTER I

The Necessity of Studying Customers' Requirements

If British manufacturers are to attain the success that is hoped for in this war on Germany, they must be prepared to study carefully the requirements of her prospective customers.

That is one of the first essentials, declares a prominent business man. In the past, I am afraid it is only too true that in many cases they have been rather less inclined to do this than they should have done, and that is why the German, more solicitous of the buyers' needs, has managed to make such great headway.

Our Consular reports, even from our Oversea Dominions, indicate that a good deal of trade has been lost in consequence. Consequently, we must determine from henceforth to study local needs, so that purchasers can obtain from

us just what they want, and not something which is merely a good substitute.

There must be more thoroughness in our methods. Then we shall get the trade to which the splendid quality of many of our manufactures entitles us.

This is an exceedingly important point, and it must be remembered that one of the secrets of Germany's success in rivalling the commercial position of the United Kingdom is that her manufacturers have always been ready to supply exactly what the customers wanted.

Not only would they send a particular class of goods for a particular class of customer in foreign countries, but they would often go to the length of pleasing the individual buyer. It was one of their chief maxims that they must find out precisely what is wanted, and then do their very best to meet the demand.

It is necessary to remember this when we are trying to take over her business, says a London manufacturer.

Whatever her faults, Germany certainly has been thorough and efficient in her commercial methods. She went to no end of trouble in studying her prospective markets, and in seeing how it would be possible to enter.

Every step was made with care. She never advanced without being certain exactly where

she stood at the moment, and when and how she was going forward. Her business was really organised—not in any haphazard fashion, which sometimes obtains in our own experience, but in a thoroughly workmanlike way. The result was that, although British manufacturers produced a better article, too often were they driven out by the Germans.

The German showed that he possessed what I should be inclined to call the art of selling. He organised so as to bring quality and price in accord with the needs of his customers while at the some time assuring himself of reasonable profit.

It follows that his manufacturing methods must be good and adaptable to all sorts of demands; but all this would have been of little use if he had not been able to persuade people to buy his goods.

I observe that several of the British Trade Commissioners have drawn attention to the German characteristics of adapting their goods to the wishes of the buyers, as to making, packing, and delivery. They point out also that German firms have good, well-paid agents abroad, and that attractive samples of other goods are sent with the packages to customers. There is something in all this from which some of our manufacturers may learn.

There is no doubt that we can produce as good an article as Germany. In a large number of things we can do very much better. Therefore, if we improve our methods where they need improvement, we ought to be able to reap an enormous benefit.

Anyhow, there is five hundred million pounds' worth of German exports open to capture, and it is worth a very big effort.

CHAPTER II

Where German Commerce can be Attacked

The following has been issued by the Board of Trade :—

In connection with the scheme which the Board of Trade have initiated for assisting British manufacturers and traders to take advantage of the opportunity afforded by the war for securing trade formerly in the hands of German and Austrian or Hungarian rivals, cables were despatched on August 14th to the Trade Commissioners in Canada, South Africa, Australia, and New Zealand, and to British Consular officers in South America, China, Japan, and Egypt, asking them to report on the financial and commercial conditions in their districts and as to the likelihood of regular payments being forthcoming for goods supplied. The following

is a summary of the replies which have been received to date.

South Africa.

The Trade Commissioner in South Africa reports the existence of depression due to drought, which was accentuated by the war. Prices for foodstuffs rose to a high level at first, but concerted action by the merchants and the reassuring statements which the Dominion Government was in a position to make resulted in prices of present stock being fixed at 10 per cent. more than the normal market price. The action of the Home Government regarding insurance against war risks is highly appreciated. The banks are fully prepared to finance reputable merchants as hitherto, and merchants are ready to carry on trade. Indents supplied previously by Germany and Austria will be executed by the United Kingdom and France. The unavoidable decrease in the exports of diamonds, hides, and feathers will affect the community proportionately.

Canada.

From Canada the Trade Commissioner reports that according to the information which he has been able to obtain the present financial

condition of importers is generally satisfactory. The approximate value of import trade from Germany is £3,000,000. The following is a list of certain goods in which in his opinion firms might extend their trade as the result of existing conditions :—Bristles, carding machinery, brass tubing, enamelled ware, combs, fabrics for neck-ties, litharge, gloves, optical instruments, hops, perfumery, skates, medicinal materials, velvets, brooms, brass articles, electric apparatus, beans, ferro-silicon, crude glycerine, glassware, locomotive tyres, hides, ivory, rubber, leather, toys, carbons, cutlery, copper tubing, boiler tubes, furs, clothing, gelatine, lead pencils, gun wads, piano-keys, lamps, purses, socks, chinaware, zinc bars.

Australia.

The Trade Commissioner in Australia reports that the financial position in that market is strong. The Federal Government is prepared to support the banks if necessary, and the execution of Federal, public, and State works will be continued. The commercial position appears to be sound, as the banks are adequately supporting merchants. He considers that there is a good opportunity for manufacturers to secure valuable trade. Firms should cable to their agents that they are able to fill orders if they are

in a position to give this assurance. Particular attention should be directed to trade in fencing wire, mild steel, wire netting, cotton hosiery, minor articles for apparel, rubber goods, and chinaware.

New Zealand.

The New Zealand Trade Commissioner reports that the present conditions of trade are disturbed, but he anticipates that this is only temporary, and considers prospects to be good and regular payments likely to be maintained. The demand for necessaries is not likely to diminish. An increasing demand for British goods may be expected, but prompt overtures should be made so as to anticipate competition from America.

Brazil.

The British Consul-General at Rio de Janeiro reports that an opportunity certainly offers for British firms to secure trade now in German hands. Traders should make arrangements for payment in gold, and not in paper currency, since the Government propose to make a large local issue of paper, and in all probability exchange will decline sharply. British firms desiring to transact business should send competent representatives possessing the necessary technical

knowledge to study local conditions. The Consul adds that in Rio de Janeiro firms are in a good financial position, and it should not be difficult to secure regular payment, but the utmost caution should be exercised in the choice of customers.

Argentina.

The British Consul-General at Buenos Ayres reports that the preponderating share of the trade is already in the hands of British firms. Banks refuse to give credit, and there is no money to be had. Grain stocks cannot be moved because bills cannot be drawn on Europe, and the banks can no longer finance cultivators. Regularity of payments cannot be relied upon. There is a danger of depreciation in the value of currency; and it is stated that the Government propose to prohibit the exportation of wheat, the effect of which would be to diminish purchasing power.

China.

The British Consul-General at Shanghai reports that Shanghai merchants are fully alive to the situation. The difficulty in getting shipments away is reacting on the import trade; but Chinese merchants are confident that business

will shortly be resumed on a small scale. Silk spinning mills, cotton mills, and industrial undertakings generally are working, but the market is oppressed by the stock of cereals, which under normal conditions would have been shipped to the Continent of Europe.

In addition, the British Trade Commissioner in Australia, under instructions from the Board of Trade, has recently collected certain samples of foreign hardware, hollow-ware, and tools which compete with similar goods of British origin in the Australian market. These samples, which include a large number of German goods, have just been received from Australia, and in connection with the campaign which the Board of Trade has recently started with a view to assisting British firms to secure trade formerly in German and Austro-Hungarian hands arrangements have been made for their immediate exhibition in this country.

The samples, whose total number is about 430, divide themselves into the following main headings :—Aluminium ware, enamelled ware, general hardware (bolts, staples, hinges, butts, bells, choppers, hooks, padlocks, stoves, lamps, spoons, etc.), and tools. The aluminium ware, enamelled ware, and general hardware have been dispatched to Birmingham for exhibition at the offices of the Birmingham Chamber of

Commerce, and the tools to Sheffield for exhibition at the offices of the Sheffield Chamber of Commerce. All the samples will then be exhibited in London and in any other industrial centres where it may seem desirable to send them.

A report relating to these samples, giving full information as to country of origin, prices, etc., is being circulated to firms in the country who may be interested, and copies may also be obtained on application at the offices of the Commercial Intelligence Branch, 73, Basinghall Street, London.

CHAPTER III

Germany's Imports and Exports

The greatness of our opportunity in the war on Germany's trade may be realized from the fact that in 1913 the imports and exports of Germany reached a total exceeding one thousand million pounds. That of the United Kingdom was £1,294,500,000, and of the United States something over eight hundred million. German exports were of the value of five hundred millions. And it is the German export trade that we are desirous of taking now that the opportunity has come.

Our manufacturers should realize that it is something more than a good stroke of business to extend their operations at the expense of the enemy. It is a patriotic duty. By taking away the German trade they are inflicting a blow that must surely have a great effect on the progress of the war.

Special opportunities are offered in the American

Continent with the United States and the Southern Republics of the Argentine, Brazil, and Chile.

It is not generally understood that German trade is of immense proportions, rivalling in volume that of the United Kingdom. A comparison between these two countries and the United States emphasizes this fact in a remarkable way. Thus we find the total imports and exports last year were :

United Kingdom	£1,294,500,000
Germany	£1,038,000,000
United States	£855,000,000

These figures show that the trade of Germany advanced by £56,600,000 (or 5·75 per cent.) compared with 1912, while the British advance was £62,160,000 (5·04 per cent.), and the American £11,000,000 (1·33 per cent.) Practically the whole of Germany's increase was in her exports.

These showed an extraordinary growth. Compared with the previous year they went up by £56,200,000, while the United Kingdom's exports increased by £38,000,000, and the United States' by £17,400,000. Thus in 1913 the comparative statistics were :—

United Kingdom	£525,500,000
Germany	£504,000,000
United States	£409,000,000

An interesting point for British traders is made by our Consul-General in Germany. It is that, generally speaking, the quality of most German goods improved under the pressure of the increased difficulty of marketing, and the necessity of finding markets at all costs.

Germany has done a large and continually increasing trade with America for some years. Not merely with the United States have they built it up, but also with the Southern Republics. They paid great attention to these markets in the belief that the future held out immense profits as the result. Scores of millions of pounds worth of goods were sent there last year; this year's trade, so far as it went, showed no diminution.

There is every inducement for our merchants and manufacturers to make a bold bid for these markets. It is clear that Germany cannot send the goods now, while our firms can both produce and send them. So far as the United States are concerned, where the value of the imports from Germany reached 34½ million last year, the principal goods include the following :—

Cotton and Woollen goods.
Hosiery.
Lace.
Dyes.
Machinery.
Electrical apparatus.
Pianofortes.
Hardware.
Iron and steel.
Cutlery.

All these can be provided by this country. Now is the opportunity to make a bid for the custom. If much time is lost we may find it has been transferred elsewhere. In some directions, no doubt, the States will come to the conclusion that they can provide for themselves. On the other hand, if the British manufacturer shows that he is prepared at once to supply the deficiency, a great deal of the trade will be obtained.

Then the minor Republics have been spending forty or fifty millions with the Germans. The Argentine received about thirteen million pounds worth of imports from them every year, Brazil between eleven and twelve, and Chili seven, to say nothing of the other States.

The truth is the Teuton paid a lot of attention to these Southern Republics, both in building up his trade and in finding an outlet for his surplus population. He pushed his goods in every corner, offering very attractive terms in order to establish himself. It is possible for the Britisher to add 50 per cent. to his trade in these regions now.

Start at Once.

Already he has a considerable connection with America. To the United States, for example, he exports trade to the value of £55,000,000; to the Argentine, £24,000,000; to Brazil, £16,000,000;

to Chili, £8,000,000. With the disappearance of the German from effective competition, the United Kingdom can get a still firmer hold on these excellent markets.

The intervention of Japan calls attention to the export trade which Germany has with the Far East, and which she is now in danger of losing, wholly or in part.

The latest complete returns show that in 1912 Germany sent to Japan goods of a total value exceeding six millions, compared to exports worth nearly twice that sum supplied by Great Britain.

In accordance with their practice of doing whatever they can to meet the wishes of their patrons, the Germans established themselves in Japan as a result of their willingness to allow accounts to stand over for a considerable time. If British firms are prepared to do the same, they can doubtless capture much of the enemy's trade with our Eastern Ally.

Germany's trade included drugs, iron bars, rods, etc., pulp for paper-making, galvanized wire, submarine cables, worsted, dyes, zinc plates and sheets, iron pipes and tubes, dynamos, etc., machinery.

There has been a very large rise in the price of drugs, especially santoninum, acid carbolicum, cocaine hydrochlor, morphia, and German proprietary medicines. British manufacturing

interests are strongly recommended to take advantage of the opportunity which must offer for the supply of enemies' goods, but it is absolutely essential that experts should pay a visit to Japan.

It is interesting to note that we already supply Japan with articles similar to those included in this list. There is every reason to suppose the trade will now be largely increased. Germany is quite unable to fulfil her contracts, whereas this country is both able and ready to make good the deficiency. Thus another avenue of commercial activity has been widened to us in consequence of German military aggression.

Also, a writer suggests that it should be pointed out that Germany has much more to lose in China than the concession of Kiau Chau. German trade in the Far East now awaits the enterprise of British manufacturers.

Germany of late years has been challenging our commercial supremacy in the East with a considerable measure of success, and on the whole her manufacturers have paid stricter attention to the special requirements of the Chinese, recognizing the enormous potentialities of the Chinese market.

To-day, with the crippling of her mercantile marine, the reduction of her prestige (a very important consideration in the Orient), and the disturbance of her economic equilibrium, it rests

with the British manufacturer whether he will secure his share of the lost German trade in China before he is forestalled by the enterprising Americans and Japanese, who are fully alive to the chance that the turn of events has brought to them.

CHAPTER IV

Germany's New Commercial Commandments

It is interesting also to note the view which Germans take of foreign trade. Theirs is a policy of exclusion, so far as their own country is concerned. Since the war began, a Brussels newspaper published the ten commercial commandments drawn up for the Fatherland's faithful sons and daughters. They are worth reproduction here:

1. In all your expenditure, however small, never lose sight of the interest of your fellow-Germans and your Fatherland.

2. Never forget that when you purchase a foreign-made article, even though it only costs a pfennig, you diminish the fortune of your country by your act.

3. Your money should only profit German merchants and German workmen.

4. Never profane German land, German houses, German workshops, by the presence and use of utensils or machinery made by foreigners.

5. Do not eat imported food stuffs, which do a wrong to German agriculture, as well as injure your health, and are besides free, from the sanitary inspection of German officers.

6. Write on German paper with a German pen, and dry your German ink with German blotting paper.

7. A German jacket gives distinction to a German's back, and a German-made hat is the only covering for a German's head.

8. German flour and German fruit, Germany's wines and German beer can alone produce the German's power.

9. Whether you drink coffee or chocolate, always see that it is the product of Germany or her colonies.

10. When you are beset with foreign imitations be convinced that the only products worthy to be consumed by Germany's sons are the results of Germany's trade and Germany's commerce.

Here is a useful hint for Britishers everywhere, and that is to use no German articles of any kind

whatever. If the British Empire alone acts upon this advice, German trade will be crippled after the war, however she may retain her hold on other markets.

CHAPTER V

The Financial Aspects of the Case

A correspondent in the *Evening Standard* points out that one great difficulty which must arise in this country will be the question of finance. To secure the many trades in which Germany has held the monopoly it would in many cases necessitate the British manufacturer erecting special factories, laying down special plant, or extending their works in some manner.

In Germany it is well known that manufacturers have built up their great industrial concerns mainly on the support afforded them by the Government and banks, who are always ready to finance sound propositions and advance money solely on "orders in hand" or on the opinion of their advisory experts.

In Britain, too, there must surely be instances where banks could now more advantageously assist than private individuals. If a little relaxation was now shown in the financial stringency

of banks in this country, and a broader view taken of finance in this direction, it would greatly assist the campaign.

The question has also arisen as to the propriety of making payments on account of German or Austrian goods obtained prior to the outbreak of hostilities.

Several important London firms who owe large amounts, in most cases "for German services rendered," such as dock dues, have been applied to through representatives of an Amsterdam bank in London for payment "at once." One firm has been asked for £1,200, and the method of payment suggested was to put the £1,200 in a certain bank in London. That bank has its headquarters at Amsterdam, to which the £1,200 would be transferred and ultimately paid to the German creditor.

Meanwhile a representative firm of London merchants and importers sends us a specious communication from a German concern. The pleasing "ingenuousness" with which the wily foreigner attempts to obtain from the simple Briton a payment which, in the present state of affairs, would be absolutely illegal, is a lesson in German methods. It will be noted that the only actual address given is that of a Dutch firm in Utrecht, Holland, which, by the way, is appended to the letter by means of a rubber stamp.

Boentgen and Sabin, Solingen (Germany),
Manufacturers of Scissors, Penknives,
Razors, etc.

August 22nd, 1914.

DEAR SIRS,—If also war deplorably separates for a time our countries, we venture to express our assurance that our personal feelings will not suffer, but remain the same as hitherto !

As the direct postal connection is suspended during the war time, we beg to hand you our statement by means of undermentioned address, and request you to favour us with your cheque, payable to same address, which will be recognised as for our account.

Thanking in advance for kind assistance, we remain, dear sir, with kind regards,

Yours faithfully,

BOENTGEN AND SABIN.

Address : Jan Blijdesteijn and Zoon,
Utrecht.

A business man who supplied these facts was in doubt as to whether he would be " aiding the King's enemies " by making such a payment in such a way. An international lawyer of high

repute to whom the question was submitted yesterday answered unhesitatingly, "Yes, he would be helping the King's enemies, even if the payment were made through Timbuctoo."

CHAPTER VI

Iron Manufactures

In the German Year-Book for 1914, Mr. H. Schafhausen opens the section on Industries with the statement: "Coal and iron are the main foundations of Germany's industrial development. The extent of the consumption of coal is a fairly accurate indication of the degree of employment in most industries of importance. Fortunately, Germany is very rich in coal, and, according to competent estimates, it is the European country in which the coal supplies will last longest, being more than twice those available in Great Britain."

This may be taken as a German view of what the most important industry is. Coal, however, is hardly a manufacture, and the only cause that would upset the mining industry would be the withdrawal of some of its half-million miners for military purposes from the coalfields of Silesia and Westphalia.

With iron and steel the case is different. The

iron trade of Germany and its dependent engineering trades are of a peculiar nature, and differ considerably from those of Great Britain. The production of raw iron in Germany has grown enormously during the last ten years, far more quickly than it has done in England. One reason for this is that England has found it more profitable to work up the iron into the higher qualities of steel or into finished engineering articles. Sir George Paish made this very clear when speaking in a recent discussion of the Royal Statistical Society in London. Sir George said :

" We in this country in the last twenty years have been trying to make our labour more productive of income. . . . We used to make pig iron and steel rails, and export large quantities. In these days we are turning our iron into machinery, and instead of making steel rails we are making engines, bridges, ships, and other things, and the aggregate growth of our iron, steel, machinery, hardware, and shipbuilding trades has been enormous. It is far more profitable to make fully manufactured goods than partly manufactured goods."

Curiously enough, the older established industries, such as making agricultural machinery and high-class engines, are more active in England and the more modern ones in Germany. Thus, as has often been explained, Germany and England are

not antagonistic so far as the iron trade is concerned, but rather complementary. But England has plenty of raw material, and can at any moment produce all that is needed for the markets now filled with German electrical machinery. Moreover, there is the vast output of the United States of America.

Germany can now have no market for these articles, even if the skilled workmen were not needed for the sterner work of war. And by the time work can begin again the British-speaking peoples will probably have taken their place to an enormous extent.

CHAPTER VII

Chemical Works

In the year 1913 the German chemical works manufactured 33,353 tons of artificial indigo, and of this more than 21,000 tons were sent to China. China asks for a great amount of this dye. It used to grow nearly as much as it needed, and import the rest from the neighbouring Eastern nations.

This is a story with a moral. The first part of the moral is that Germany will most certainly be unable to supply China with artificial indigo next year, and the second is that England might just as well do it. There is no trade secret about the dozen ways in which indigo can be synthesised. Every senior student in the science schools of the universities or in the Imperial College of Science could give not only a formula for the completed product, but a prescription for the materials required in its manufacture.

We have plenty of chemical engineers ready

to produce indigo. Why not take the opportunity? The facts stand clear. China wants an enormous amount of this one dye-stuff. Germany can make it, but cannot send it. England can make it and can send it. England probably will. After all, there is no real need to urge the chemical manufacturers to do this, because most of them have followed Germany in a small way, and as the world's trade in dyes slides out of the hands of Germany, England will grasp most of it.

The idea that English chemical manufacturers have followed the Germans "in a small way" may possibly seem offensive, but it is easily explained. Perhaps the best way to make it clear would be to tell the whole story of the beginnings of organic chemistry. That, of course, is impossible. So it must suffice to say that Dr. Perkin, an Englishman, working in England, produced the first series of colours by making alizarin, which had hitherto been only got from madder. He made it from a product of coal tar.

German chemists have worked around his original discovery until now they can produce dozens of shades from this one material. We in England have made very little out of the original British discovery. Germany last year was paid £13,500,000 for the use it made of it.

Other special chemical industries that must now die away, at any rate for a time, in Germany

are those of varnishes, lakes, cements, and artificial perfumery. Incidentally, it may be mentioned that they exported £3,500,000 worth of explosives in 1913. They will have little to spare in 1914.

But, after all, these products, indigo, varnishes and aniline dyes, are only fancy goods. They are not world-wide necessities, like one or two of the cheaper compounds, whose supply controls most of the other chemical manufactures. The chief of these foundation materials is sulphuric acid. Germany's production last year was equal to that of Great Britain. England is ready and willing to supply any of the world's deficiencies in this substance.

It is not so easy to speak about artificial manures, of the ordinary phosphates and nitrogenous substances. Germany exports very little, needing most for herself. Still she has a nice little market worth £2,500,000—mostly in connection with tropical countries—that our traders might very well pick up.

All the goods hitherto mentioned are products of chemical industry. Possibly much of this would never have been made in Germany had it not been for an astonishing gift that Nature has given to Saxony in the shape of the gigantic potash deposits of the dried-up lakes of Stassfurth.

These have been developed with the utmost

scientific skill. Whilst they are closed the artificial potash manures must come, as they did twenty years ago, from the seaweed burners of the coastwise islands. Guernsey and Jersey and the Isle of Man and the Shetlands, to mention but a few, should sell their harvests this year for prices that have been almost forgotten—that is, if they have enough old people left to show them how to burn the vrac. Theirs will be only a temporary benefit, but they will be very welcome to it so long as the British Fleet controls the export of Stassfurth deposits, which are 500 miles away from the sea.

To sum up the whole matter of the German chemical industries, Germany employed 300,000 men last year and spent £16,000,000 in wages. She exported chemical products to the value of £47,820,700. Of course, she imported a great deal, but not nearly half as much.

The market which the war has cut off from Germany is probably worth very little less than £30,000,000.

But the manufacture of fine chemicals in this country and the driving out of our market of the German and other foreign proprietary articles would be materially assisted if the public would insist upon having the English equivalents.

The following list (which is furnished by Mr. John D. Marshall, of John Bell and Croydon,

Limited) indicates the foreign article and the corresponding English article:

Foreign.	English.
Antipyrin	Phenazone
Antifebrin	Acetanilide
Anæsthesin	Benzocaine
Aristol	Thymol iodide
Aspirin	Acetylsalicylic acid
Beta eucaine lactate	Betacaine lactate
Beta eucaine hydrochloride	Betacaine hydrochloride
Cystopurin	Formamine sodium acetate
Dermatol	Bismuth subgallate
Diuretin	Theobromine sodium salicylic
Euresol	Resorcin-monacetate
Eunatrol	Sodium oleate
Formamints	Formasan
Helmitol	Formatol
Medinal	Sodium Malowea
Migrainine	Antipyrin caffein citrate
Novocaine	Ethocaine
Novaspirin	Citrosalic acid
Orthoform	Orthocaine
Protargol	Silver proteinate
Pyramidon	Diethylamine antipyrin
Sanatogen	Ceregen
Styptol	Cotarnin phthalate

FOREIGN.	ENGLISH.
Stypticin - - -	Cotarnin hydrochloride
Styracol - - -	Guaiacol cinnamate
Trional - - -	Methyl sulphonal
Urotropine - -	Formamine
Veronal - - -	Malourea
Lysol - - -	Pathone

CHAPTER VIII

The Cotton Industry

Lancashire has every reason for optimism. Once upon a time Lancashire was cotton, and cotton was Lancashire. In the last ten years it has lost its predominance. Germany has gone ahead; America and India have set up great factories. But Lancashire is still top dog so far as the best material is concerned. Cotton goods go all over the surface of the world, and there are many places that have never desired the highest classes of cotton fabric. Many of our Colonies ask for the roughest of cotton cloth. Lancashire has hitherto preferred to use its supremacy in exquisitely fine yarn and perfect loom work.

All the rough calico is "made in Germany," or, at least, it was. It has stopped now. This year we have a splendid crop of cotton in America, in Egypt, and in several other places. We know pretty well how much cotton there is in Germany.

It is not much. Ships are sliding into Liverpool without let or hindrance.

Great Britain has 55,652,000 spindles turning the world's cotton crop into yarn, and from these factories where these spindles are at work it sold ten million pounds worth of its roughest output to Germany, most of which was taken to the following places: Mülhausen, in Alsace—our French friends will no doubt look after this—Augsburg, in Bavaria; Chemnitz and Zwickau, in Saxony, and a whole host of towns well known to English trippers up the Rhine. Elberfield and Barmen may be mentioned.

Some of these have spindles of their own, as may be gathered from the fact that last year Germany paid more than thirty million pounds sterling to the United States for raw cotton, the exact amount they imported being 521,613 tons. But it is on the English spindles that the weaving sheds of Bavaria depend, for all Germany has less than one-fifth of the number of spindles now at work in our cotton county. Our spindles are at work; quite half of the German must now be idle.

Now for a few statistics. Last year we sent rough yarn to Germany for which our manufacturers were paid £5,141,022. The German looms wove it into vast quantities of material, mostly for their own country, but they had

enough over to export cotton fabrics to the value of £9,872,200. Most of this was sent back to England, not to be used in the British Islands, but to be shipped from our ports to all the ends of the earth.

Lancashire spinners and weavers can easily use the half-million tons of raw cotton that Admiral John Jellicoe is keeping out of Germany. They will know how to deal with it.

Lancashire has every reason for optimism in the near future, unless our defences should break down. Lancashire was cotton and cotton was Lancashire until a few years ago. Then Germany began to spin it and to weave it in enormous quantities. Their weaving has always been of a different class from that of English looms, but the highest class of it is not very large, and is sold inside Germany.

CHAPTER IX

Jewellery and Toys

It must have been just about thirty years ago that certain shrewd men of Pforzheim realised that gold was very much more valuable when turned into articles of jewellery than when coined into twenty-mark pieces. There are now 700 independent works at Pforzheim, although it still seems to be a sleepy little town in the Black Forest. A few million pounds' worth of gold melted down causes far less smoke than the same value in steel. So this little place has been in the habit just lately of absorbing gold and working it up into fantastical little articles for personal adornment. There are other German towns that have done much the same, but let us for a moment dwell on this one spot.

It is estimated that for every ounce of gold coined in Germany at least half an ounce is melted down in the Pforzheim works. No one quite knows the wealth of the little town, but

its exports of jewellery last year are stated officially to be just over £15,000,000. It may be said that 75 per cent. of Pforzheim's production is exported. The chief reason of the stupendous growth of this industry is said to be success in specialisation and adaptability to fashions.

It is this last that the Germans boast about so much. Well, neither Pforzheim nor Schwäbisch nor Gmünd nor Hanau is likely to flood the English market with minor jewellery for a couple of years to come. Gmünd has been sending silver articles and Hanau its gems. Sheffield can manage the first item, and Amsterdam will see that the London gem-workers are well supplied with the little stones so beloved of women in late years. Birmingham will probably see to the rest.

In this time of stress it is unlikely that so pure a luxury as jewellery will be very much desired or that any large sums will be spent on it, but the time will come again, and perhaps quite soon, when jewellery will slip back again into favour. Then our own trade will possibly make many fortunes. It needs much capital, but it is quite likely that England will be able to spare all the gold that Birmingham needs, and it is equally probable that Germany may need the precious metal for other purposes.

However that may be, there is much food for thought in the proud boast of the German manufacturer that he has the ability to do better than anyone else. Here is a translation from a paragraph in the German Year-book for 1914:

"As we have remarked before, the capability of the manufacturer to adapt himself"—of course, it is of the German manufacturer that the author of these paragraphs is speaking—"to the taste of the buyers and the adoption of artistic designs for less valuable ornaments is to a certain extent responsible for the progress of the German jewellery trade. The exports of articles made wholly or partly of gold amounted in 1913 to £1,576,900; those of gold leaf to £253,950. Nuremberg is, of course, the town that specialises in the manufacture of gold leaf, but it has other industries. Its exports of platinum goods amount to £200,500, those of silver plate to £279,700, and other silver goods about £1,000,000."

We evidently only get about a fifth of the £15,000,000 in England, but we may just as well make it ourselves.

Germany is the largest of all the world's producers of toys, or at least it was until, on August 4th last, every toy-loving child of England,

France, Belgium, and Russia determined never again to play with a Saxon teddy-bear or a Thuringian railway engine.

Until this great revolt Bavaria, Thuringia, and Saxony had made 55 per cent. of the world's production. Two districts do most of it—Sonneburg and Nuremberg. The town at the centre of the latter district has, of course, been the place whence toys came at the time when King Edward VI. reformed and reinstituted the public schools of England. Nuremberg will probably keep up its reputation for another few centuries. What of Sonneburg? Whilst Nuremberg caters for boys Sonneburg caters for girls—dolls of every description—dolls' houses—dolls' furniture.

No little English girl wants a German doll just now. Many of them will use hard words to any brother who plays with a Nuremberg toy railway. The Sonneburg district includes the towns of Lauscha, Ernsthal, and Steinheil, where vast quantities of wood, papier-mâché, glass, and china are used. Noah's arks and toy flying machines also come from this part of the world.

From the Erzgebirge, in the Saxon toy district, we get wooden toys—horses, perambulators, and boxes of bricks. Here also are made those instruments of torture known as musical boxes. But, after all, toys can be made in England. We have not tried it to any great extent so far, but

there is a fortune waiting for anyone who has the capital, the energy, and the brains to take up the relics of the broken trade of Central Germany.

CHAPTER X

The Leather and Fur Trades

Our troops at present have their ankles bound in German leather. The leather soles have mostly been tanned elsewhere, some of them in England. There is a doubt amongst the boot manufacturers in Northampton and other places as to whether they will be able to get all the leather they need for the great boot-making contracts that have come their way. Our War Office has given Walsall quite enough to do for a long time. It has asked the saddlery centre to make 2,000 officers' saddles and half a million each of cartridge carriers, braces and buckles, and bayonet frogs.

In a little time there will be many regiments of French and Belgian infantry that will want new boots, and thousands of the cavalry of our allies will require new saddles. Even then the leather trade must bide its time. It will take several years to catch up that part of the trade that has been in the past surrendered to Germany.

and the price of leather is sure to go up. England had three disabilities three weeks ago, and it has got another since then. The first was the cheapness of German box calf and all the other kinds of German leather that most English soldiers now wear on their boots or gaiters; the second, the difficulty of getting skins cheaply; and the third, the high cost of tanning materials, which have been imported, mostly, from other countries.

We are now face to face with another difficulty. The French workmen who produce the chestnut extract have gone to fight for their country, so English tanners may be left without one of their great necessities. The Tanners' Federation has taken means to deal with the last difficulty, and the others do not really matter because Germany can get neither hides nor extract, and her gigantic armies will take away the skilled workmen from the tan yards.

What the federation has offered to France, where the extract comes from, is best expressed in the official minute:

It was agreed to make official representations both to the French Ambassador and to the Board of Trade, and to offer to do anything to facilitate export of tannin extracts to England. It was decided to offer to supply expert workmen to assist in running factories, provided a portion of

the extract manufactured by these means be guaranteed to England.

When these preliminary difficulties are ended English leather workers must reap a huge benefit. Germany imported 30 million pounds' worth of skins last year. Excepting rabbits and hares it produces very few skins of its own ; it used much leather and many furs in its own cities, but the fact still remains that there was enough left over to sell much to England.

" Last year," says the editor of " The Leather World," " British imports of box-calf reached a total value of £1,196,640, and of this enormous quantity our adversary Germany supplied leather to the value of £826,273, France coming next with £167,850, the United States with £158,236, the balance from other countries amounting to £44,551. It is also significant that up to the end of July imports of German box-calf reached the big figure of £530,479 out of a total of £743,250, so that had not hostilities put a stop to the business it is extremely probable that British shoe manufacturers would have used up nearly a million pounds' worth of German box-calf during 1914. In German patent leathers the trade done with this country has also been enormous, amounting last year to £451,236 out of a total of £613,603, and for the seven months of 1914 to £241,865 out of a total of £351,542."

These are small figures. They only represent a tiny corner of the trade war in leather. As mentioned a little earlier in this article, the German empire imported more than 30 million pounds' worth of skins. Most of this is used for its own people, but it sent out exports of leather and fur to the extent of £12,576,800.

The leather industry has not been flourishing in England for some time. Germany will not export twelve million pounds' worth this year, nor will she import thirty million pounds' worth of hides. Our tanners have their chance.

CHAPTER XI

Glass and Pottery

China, porcelain, and glass are goods that need an enormous amount of skill in their production. Five towns in the north of Staffordshire at one time made most of the beautiful goods of this kind for all the world. A thousand years ago little pots were sent into Europe from China. We may quarrel as to what happened after that. Some say that great discoveries took place in England and others in Dresden. It was probably in Dresden. In that place was one Johann F. Böttger, who found out how to glaze the white product known as china clay.

It matters very little who rediscovered the old Chinese art. The main thing to find out is who makes most money out of the discovery. This is an unpleasant thing to say, but in this time of war it is infinitely cleaner to ask who will shed most money than to demand an answer to the question who will kill most men. Probably

someone in Dresden did it, at any rate the splendid Meissen royal factory rose from his efforts, and out of Meissen and Berlin have come veritable art wonders.

They have sent out nearly three million pounds' worth of pretty goods yearly. England has sold more than that, but the five small towns that range along the borders of North Staffordshire and make better and more artistic things than ever came into a Dresden dream, will not be unwilling to work a little overtime during the next few years. If they do so, they will get the three million pounds back. To-day, or let us say yesterday, many German firms were devoting all their energies to making articles that no one would care to buy unless he were a man of wealth. Everything was an article of luxury. It has been said that "the china department of the Leipzig Fairs represents a veritable art gallery, and is of equal interest to the prospective buyer and to the lover of things beautiful."

This is a quotation from a German catalogue, and the writer of this article is very willing to say that it tells the truth. At the same time, he has no hesitation in saying that nowhere in Dresden or Meissen or anywhere in the great States of Saxony, Thuringia, and Bavaria has he seen such glories of "pottery" as he has seen at Derby.

Derby ware is, of course, a thing by itself,

but the huge amount of "Crown Derby" that has come from Germany must have been very annoying to the people who make it.

However, that is all over. The great firms who make rough or dainty ware in Staffordshire, or those who make mighty pipes of earthenware somewhere on the banks of the Thames, may take good heart.

Hanley and Longton are quite sure of their white china clay; London is equally sure of its rougher material, and as to the glazing of either of them our islands have plentiful supplies of all that is needed.

Glass, of course, is different. Germany has been in the habit of sending away many hock glasses and many decorative "ornaments" that have never competed for beauty with German porcelain. Glass-blowing has been developed to the highest point of skill, but only in a very few places has it been artistic. Perhaps that is why Germany has managed to sell to the rest of the world £7,301,200 worth of it each year of late.

Most of these are luxuries, but there is a development of the glass trade which is no luxury at all. It is a necessity, and just at this moment when the laboratories of the Continent and their dependent industries are likely to be starved, we may need a supply. The necessity is glass-tubing. Out of this any

decently-trained English chemist or physicist can make nearly any piece of apparatus he needs.

Some of our Birmingham firms will probably manage it. At any rate, we shall not be able to replace our broken kitchen cups or make our new laboratory apparatus out of German stores much longer.

The amount of money to be made out of it has already been stated. It is a good stimulant to scientific patriotism after all.

During 1912 Germany exported stoneware, earthenware, and chinaware to various countries of the value of £3,556,000, the largest items being table services, £1,580,000; crockery and articles of stoneware, £527,000; porcelain, £524,000. Austria in 1913 exported goods value £872,700.

The principal markets for German pottery were the United Kingdom, Scandinavia, America, France, Italy, Netherlands East Indies, and South America. This country imports at least £365,000 of cheap German tableware, ornamental receptacles (vases), etc., which could certainly be supplied by British pottery manufacturers.

Another large market is the United States, to which Germany sent in 1912 pottery to the value of £714,000. German exports to other important markets were: France, £225,000; Netherlands East Indies, £117,000; Argentina, £71,000; Brazil, £83,000; and Italy, £80,000.

The most important Austrian markets for chinaware and earthenware were the United Kingdom and the United States, though considerable quantities were also exported to South-Eastern Europe, Turkey, and Egypt. Apart from the United Kingdom market, it appears that we already hold by far the larger part of the pottery trade in British India, Canada, Australia, and British South Africa.

Our share of the United States market is only equal to about two-thirds of the German share, and might be increased. Favourable openings in present circumstances would seem to exist in Scandinavia, France, South-Eastern Europe and the Levant, in the Dutch East Indies, and in South America.

CHAPTER XII

Carpets and Furniture

The value of the carpets, rugs, mats, and matting exported from Germany, Austria-Hungary, and the United Kingdom in a recent year (1912) was as follows :—

From Germany - -	£523,800
From Austria-Hungary -	£148,300
From the United Kingdom	£1,599,800

Carpets of jute and "other carpets—woven" (mainly woollen carpets) are by far the two most important classes of German carpets exported. For "other carpets—woven," the Scandinavian, South European, and South American markets were important. Austrian-made carpets of jute, etc., are sent mainly to France, Rumania, and Argentina, while

woollen carpets go mainly to France, Italy, and the United States. The United Kingdom easily holds the Canadian market and also holds a strong position in the French, Argentine, Chilian, and United States markets. There would appear to be openings at the expense of Germany in Denmark, Italy, Rumania, and Russia, and at the expense of Austria in the same markets.

Where Britain has Failed

The Board of Trade bulletin contains several important hints to manufacturers who seek to obtain a hold on the trade. For example, a report from a Commissioner in Australia states: "An informant admits that there are no makers (of carpets) who can compare with the British so far as the quality of these goods is concerned, but he adds that a cardinal feature in the sale of all this class of goods in Australia is the necessity for the designs and general appearance being up to date and pleasing in appearance, and in this respect again it is alleged that the Continental makers are far in advance of the British."

The British Vice-Consul at Braila (Rumania) in a recent report says: "In stair carpets the United Kingdom still supplies the cheaper kinds, but Germany and Austria-Hungary monopolise the medium and better qualities. In regard to

all the above lines, where the United Kingdom is not represented there seems to be no reason why she should not, with attention, compete successfully and where she has lost ground regain it. The expense of carriage will not hold good, for Germany is equally distant, Italy practically so, Switzerland far worse off, whilst Austria-Hungary has land carriage to reckon with."

British traders have another good opportunity of capturing new trade in the furniture line. The German exports in 1912 amounted to £685,900, viz.: unveneered soft wood, £101,500, and hard wood, finished and bent-wood furniture, £295,850; veneered, £157,700; billiard tables, £5,150; and upholstered furniture, £88,450.

Austria's trade in 1913 amounted to £1,096,000, of which the principal items were: Bent-wood furniture, £911,200; other sorts of furniture, £81,500.

In the United Kingdom alone German furniture to the value of £29,000 and Austrian furniture to the value of £36,000 might be displaced by British-made furniture, while in the other markets some portion of the seven hundred and twenty-six thousand pounds' worth of trade in German and Austrian furniture might well be captured.

In the United States, in Argentina, and in

France, British furniture is already in good demand, but even in those markets it should be possible to extend still further the sales of British goods.

CHAPTER XIII

Paper and Printing

Anyone who cares to look at the Christmas cards sent last year as Christmas greetings will find that most of them have a little inconspicuous inscription "Made in Bavaria." In some cases it is limited to "Printed in Bavaria." But the meaning of it is much the same. Most of the English Christmas cards have for some time had their colour printing done in Bavaria. Indeed, the majority of them—and by majority is meant not merely more than half, but nearer 90 per cent.—are "Made in Germany."

Let us hope that it will not be so next Christmas. It is very difficult to avoid any suspicion of the evil, because many Christmas cards are already printed, and even in the cases where the printing goes on in England the material, cardboard or imitation parchment, has been made by our enemies.

We can make our own paper, and we can do

our own printing even better than our German competitors, but our manufacturers are not able just at present to do it either as cheaply or as quickly. But before explaining just what is meant by the statement that colour-printing can be done, and is being done, far more efficiently and artistically in Great Britain than in Bavaria, we may as well take a glance at the way the paper-making industry has been built up in the German empire. It was somewhere in the fourteenth century that the manufacture began, but it was not until Swedish brains discovered the use of wood pulp in 1872 that Professor Mitscherlich employed bleached wood pulp on a large scale. After that it grew apace.

There is no need to go into the later developments. This is not a scientific article. If it had been there are plenty of interesting stories that might be told which would throw amusing sidelights on a boast made by a Ducren firm this year in one of their advertisements :

> Specialisation and bulk production have gone hand in hand, lowering the price and raising the quality of paper.

This English rendering of it has been made in their own office, so it is quite fair to quote it exactly as they send it to England.

It may possibly be true, though by no means

proven, that the consumption of paper by a nation may be taken as a criterion of its intelligence, or rather of its intellectual development, which is perhaps a little different. Certain German authorities set out a few years ago to judge countries by this standard, and published the following figures: "The Englishman uses 24·8 kilos, the Swede 20·8, the German 20·1, and the Frenchman 15·0." Two years later another estimate was taken, but nothing was published excepting the fact that Germans were using 24·77 kilos each, so they must have reached something like the "intellectual development" that England had acquired two years before.

This may seem rather futile, but it has had its effect in Germany. The industry has been held up to Germans as one worth cultivating, and they have done it so perfectly that last year the paper, cardboard and goods made therefrom in Germany were valued at £13,134,200.

The war is laying Germany open to many trade attacks, but in no other has she offered to commit suicide so foolishly as in this one. The conditions for the supply of raw material are particularly unfavourable. Germany's timber is unsuitable. She must get it from Scandinavia, Finland, or Austria-Hungary, and it is easy to see what gigantic difficulties there will be in either direction.

To return to Christmas cards and colour printing. The writer of these articles made inquiries a day or two ago amongst the printers who produce the beautiful posters that we see in the streets of our great cities—the exquisite seascapes of some of the railway companies, the well-known polar bear splashing through a wave after a shadowy seal that advertises a brand of whisky; the perfect reproductions of famous pictures by soap firms. He asked in several places: Are these made in Germany? The answer came in each case: "They are not." To the question "Why?" the answer was two-fold. They do not make the right kind of paper, and they will not take the time to do the printing.

As to the paper, our M.G., as they call it, can only be made in certain parts of England and Scotland—principally the latter, where the water supply is exactly of the right quality and the average condition of the air is favourable.

In Germany many of the difficulties in the way of high-class paper manufacture have been cleared away by scientific training. Special schools have been set up at Altenburg, Coethen, and Darmstadt for the training not merely of the research men, but of the mechanics. Yet they have never yet been able to make a paper out of saw-dust that would stand the wear and tear that is needed by a poster in one of our

wind and rain-swept streets. If England, therefore, can make our posters for its advertisers it should have very little difficulty in making our Christmas cards for the nation.

CHAPTER XIV

Cutlery

It has been quite common among German cutlery manufacturers of late to keep a special plant of what is known as sand-blasting. It is equally well known in England, and its peculiarity is that it can write any name on the blade of a knife that the sand-blaster desires. It is very effective, and the names it registers on a knife blade are those of the great Sheffield firms. The south-eastern towns of Germany and all the towns of Bohemia have been delighted for some years to buy "Sheffield cutlery" that had never been within 500 miles of Yorkshire. Just at present we know that there is an intense hatred in Germany and Austria of anything English, so vast quantities of cutlery are being renamed and advertisements sent through many provinces to tell German buyers that the knife blades that had been stamped as Sheffield work for the past few years were really German. We

have no desire to misstate what has happened. Famous names have been sand-blasted on the blades of knives in many countries, but as a rule Sheffield manufacturers have stamped the truth close up to the haft of each knife blade. In almost every case it is clear and unmistakable. In the very highest classes of steel made by English firms a very considerable amount of sand-blasting has been allowed; so it is more than probable that first-class work sent out from our English firms may have various names beautifully inscribed on it that have no real reference to its origin.

German firms have sent thousands of pounds' worth of their cutlery into their own country under the name of Sheffield work, and many more thousands of pounds' worth into foreign countries. Canada and South Africa, in their innocence, have accepted these things as true English products.

It is even said that some of the German bayonets have been guaranteed as having been made in Sheffield. Much of the steel that has hitherto been sent to foreign ports must now be made in England. So must the cheap knives and forks.

Amongst the country villages of England there are hundreds of people who like to use a decent knife and fork and who would hate to think that it had been made by an enemy. For in

the East there are those to whom the word Sheffield is a shibboleth.

A False Name

For long enough German cutlery has passed under a false name, and it will not be very difficult to get the true name back.

Last year, according to the most reliable news, Germany made coarse knives and scissors and shears and all the things of that type likely to be useful to other nations to the value of £1,750,000. Sheffielders have perhaps watched them with a certain amount of cynicism in the past because there has never been any doubt about the superiority of Sheffield knives to those of other places. A Sheffield pocket-knife—if it is really made in Sheffield—is a very different article from the type made in Austria-Hungary.

It might be worth the while of Sheffielders, or even of those slightly less skilled in fine steel goods, to make a coarser material. Cutlery means very much more than pretty table knives.

Australia asks for a vast quantity of shearing knives. That is not quite the proper way to describe them, but it gives the general idea. Most of the different kinds of coarse knives and clippers, including pruning, hedging, and garden implements were made in Austria. They

could be made just as well in England. Countries that are now neutral paid nearly a million pounds last year to Austria for making them.

Our real cutlery ware, including that which has wrong names sand-blasted on it, is far better than anything that Austria can produce. Yet if our manufacturers care to turn out a million pounds' worth of low-grade material the Commercial Intelligence Branch of the Board of Trade, whose offices are at 73, Basinghall Street, will be glad to tell them the exact spots on the earth where the goods are needed.

A point especially made in one of the Consular reports is: "There is a decided preference for British goods if they are adapted to the taste of the place." The million pounds' worth of German marketry is quite well worth thinking about.

CHAPTER XV

Wheels and Axles

According to a statement issued by the Board of Trade, the value of railway axles, parts of railway wheels (hubs, tyres, frames, etc.), railway wheels, and sets of railway wheels exported from Germany to all destinations in the year 1912 amounted to £1,377,000. The values of such exports sent to the United Kingdom and to the principal neutral markets in the same year were as follows:—To the United Kingdom, £40,000; to British India, £60,000; to Canada, £90,000; to Australia, £199,000; to Norway, £14,000; to Denmark, £28,000; to France, £40,000; to Spain, £39,000; to Portugal, £10,000; to Italy, £275,000; to Turkey, £12,000; to Egypt, £13,000; to Dutch East Indies, £32,000; to China, £62,000; to Japan, £88,000; to Argentina, £16,000; to Brazil, £63,000; to Chile, £14,000.

The aggregate value of Germany's exports to the above markets amounted to £1,095,000, or

80 per cent. of her total exports of this class of railway material.

An Austrian export trade in this class of goods practically does not exist, that country's exports in 1913 being valued at only £1,400.

British exports of railway wheels and axles (complete) and of tyres and axles to the various colonial and foreign markets specified above in the year 1913 were as follows:—To British India, £461,000; to Canada, £38,000; to Australia, £284,000; to Norway, £1,000; to France, £5,100; to Spain, £8,000; to Portugal, £2,000; to Italy, £2,000; to Turkey-in-Asia, £1,000; to Egypt, £12,000; to Dutch East Indies, £700; to China, £30,000; to Japan (and Formosa), £11,000; to Argentina, £285,000; to Brazil, £50,000; to Chile, £21,000; total, £1,210,000.

The aggregate British exports to the above markets, therefore, exceed those of Germany, but while the United Kingdom easily takes the first place in supplying these goods to British India and Argentina, Germany takes the bulk of the trade in the other markets specified. It should be possible, at the expense of Germany, materially to increase our exports to Canada, Australia, Scandinavia, Southern Europe (particularly Italy and France), to the Dutch East Indies, China and Japan, and Brazil.

The following particulars are available as

to the special requirements of some of these markets :

Competition from Germany with British manufactures of railway axles, wheels, and tyres during the last few years has been extremely keen. In many foreign and colonial markets, but particularly in the various Dominions, large contracts have been placed with German manufacturers. It is obvious that a number of the contracts which were under execution, or which had just been placed with Germany before the war, cannot now be fulfilled by that country. In the case of Australia, where competition from Germany in this class of material has recently been severe, the Board of Trade have heard by cable from the Trade Commissioner in Melbourne that the Federal Government have decided to continue the execution of their public works. When conditions become more settled in other neutral markets a considerable amount of work now let to German manufacturers will probably come into the market, and it will, therefore, be advisable for British manufacturers to strengthen their position in those markets where German competition has been most seriously felt, in order that they may be able to take advantage of such opportunities.

As regards Canada, the Trade Commissioner in his last annual report states that of the gross imports of railway material the British imports

represent a proportion of 7·6 per cent., but over 90 per cent. of the railway material has been classed as "non-competitive," *i.e.*, rails, etc., which, for various reasons, British firms do not normally supply to the Canadian market. Of the balance, which consists of axles and parts, springs and parts, switches, brags, and crossings, and tyres in the rough for locomotives, tenders and cars, imports show a proportion for the United Kingdom of 11·5 per cent., while our European competitor, Germany, secured 20·18 per cent.

During the year ended March 31st, 1913, the imports of axles and parts from all countries amounted in value to £155,026, including £6,627 worth from the United Kingdom and £142,769 worth from the United States; the imports of springs and parts from all countries amounted in value to £21,676, including £156 worth from the United Kingdom and £21,440 worth from the United States. The imports of tyres in rough for locomotives, tenders, and cars from all countries, amounted in value to £109,629, including £26,983 worth from the United Kingdom and £17,430 worth from the United States. Imports of axles and parts thereof, and tyres in the rough for locomotives, tenders, and cars from Germany amounted in value to £5,535 and £65,216 respectively.

British and German competition in railway

material has recently been the subject of much discussion both here and in Australia. For the period 1910–13 Messrs. Krupp obtained orders in connection with the Victorian State Railways for their crucible steel tyres to the value of approximately £30,000.

The Board of Trade have a considerable amount of information in regard to the efforts which Messrs. Krupp have made and the prices at which they have tendered in recent years, in order to increase their share of the trade in wheels and axles and other railway materials in Australia. This information, as well as particulars of the steps to be taken by United Kingdom manufacturers desirous of competing for the supply of materials required by the various State Governments in Australia, may be consulted at the Commercial Intelligence Branch of the Board of Trade, 73, Basinghall Street, London.

CHAPTER XVI

Electrical Enterprise

British electrical engineers have a great responsibility thrown upon them at the present moment. Their place in the line of attack in the forthcoming war upon German trade gives them unequalled opportunities. They have a unique chance of wiping out the memory of past failures.

The Board of Trade returns show that the aggregate value of our exports of electrical machinery to eighteen markets where there was German and Austrian competition was in 1913 valued at £1,336,100. The exports of Germany and Austria to the same markets were valued at £2,583,000. In the case of electric glow lamps Germany and Austria exported lamps to the value of £2,081,800, whilst those of the United Kingdom reached only £128,900 in the same markets. Where Austria and Germany sold £1,482,700 of appliances for illumination and transmission of

power, Britain's exports of similar material reached but £607,500.

These figures show that under existing conditions there are big openings for British industry, provided, of course, that the gaps are not filled by America before the British manufacturers get to work.

Whilst an analysis of the above figures might be of interest, space can be utilised to greater advantage in this instance by a summary of the reasons set forth for Germany's success when in competition with British houses. It must be obvious, at least in the case of the British Colonies, that they, with their keen spirit of patriotism, would not have given their orders to Germany unless Germany had offered unusually tempting baits.

It is just to the English manufacturer, though not creditable to his business acumen, to suggest that in many cases he has not been strictly in competition with his German rival. He has in several instances never really appeared in the field, having failed to advertise his capabilities through the media of capable agents speaking the language of the country and having knowledge of local conditions, through the Press, or even through the headings on his trade notepaper. It is pathetic to read the Consular reports which have been forwarded to this country from time to time.

Speaking of Spain as a field for electrical enterprise, the Board of Trade report says: "From the very beginning of Spanish electrical business German firms have laid themselves out to secure the trade, and companies like the Allgemeine Elektricitäts Gesellschaft, Siemens, Schuckert, and Bergmanns have made a point of sending to Spain competent engineers with a thorough knowledge of Spanish.

The British Vice-Consul at Warsaw, who reports that the Polish trade in electrical machinery and plant is entirely in German hands, points out that amongst the seventy British subjects residing in Lodz could be found experienced and energetic men who could look after the interests of British firms. "German success in trade," he says, "is largely due to their energy and knowledge of Polish and Russian trade conditions. They possess a large and well-trained staff of travellers . . . and German goods or machinery are adapted to local requirements." The British Consul at Galatz, writing upon Rumanian conditions, says: "There is no doubt that if proper representation were secured British firms would increase instead of losing the trade they already do with the country in machinery, machine tools, ironwork, and other goods."

The same story is told in Argentina. A Belgian Consular report says: "Reimports from the

latter country (the United Kingdom) have a tendency to decrease, while those from Germany continue to show considerable expansion. This may be partly accounted for by the fact that the German maunfacturers maintain in Argentina either agents or branches holding large and varied stocks." The American Consul at Rossario points out that " where two articles are in competition, that which is backed by personal effort interested in its success has every advantage over the article which has to depend on catalogue advertising." The final rub in the direction of judicious publicity comes from the British Consul in Honduras, who says : " British manufacturers show a marked lack of originality in their printed letter headings. In a great number of instances absolutely no information is to be gathered from these as to what the nature of the business is. . . . American and German manufacturers seem to have made a special study of these matters."

There is no need to prolong the agony in this direction. Frankly, from these responsible reports, it would appear that British electrical engineering firms, generally speaking, can beneficially revise and extend their present system of representation and publicity. The extraordinary results, for instance, obtained by a limited few can be traced on their own admission to the

assistance given to them by the lay Press, as well as the technical journals.

The success of Germany in South Africa is reported by the Board of Trade to be due to organisation. "The efficient organisation of German firms in the market has secured for them a large share of the general trade, a regular supply of material from German sources having up to the present been assured by the fact that the original plant installations were largely of German origin, while in many cases German engineers have been in charge of the large centrals."

Trade organisation, it may be noted, has so far more than counter-balanced inferiority of materials. "I am informed," adds his Majesty's Trade Commissioner, "that latterly trouble with some of the foreign-made plant has occurred to an alarming extent, and that the faults are due not only to an overrating by the makers of the capacities of the various machines, but in some cases to bad design and manufacture." The same trade commissioner appeals to British firms hoping to gain South African trade to carry good local stocks and employ as local managers and engineers men equipped with both commercial and technical experience.

In all fairness to the British manufacturer it must be admitted that German business methods have not been altogether above board. The

Trade Commissioner of South Africa is supported in his complaint against overrated capacities by his Majesty's Trade Commissioner in Australia, who says: "I am also informed that owing to different standards the German lamp candle-power is lower than British, as is also the case in kilowatts; so that a 50 c.p. German lamp is only about 47½ candle power according to British standard, and similarly a 7 k.w. German motor about equals a 6½ k.w. British motor."

This is not all; the Germans have even sold under cost to gain colonial trade. The same Trade Commissioner for Australia cites a case in which the "A. E. G." company of Berlin, in order to get their big turbine generators on to the market, actually sent out to their Australian agents five turbines with instructions to sell them under cost—so to all intents and purposes they were "dumped" here.

Did space permit many other points might be revealed which have placed British electrical manufacturers at a disadvantage with the Germans. They all, however, indicate that two great essentials are necessary for further trade expansion—a strengthening of agencies and direct representations, and a wide exposure through the Press of the doubtful methods by which German trade has been secured.

There must have been many contracts pending

at the outbreak of hostilities which would have gone to Germany in the same way as their predecessors. These contracts must be secured for British capital and British labour, and put in hand without delay. A polite reminder can even be given by electricians to the medical profession that, in spite of a prejudiced belief to the contrary, X-ray coils and other electrical appliances necessary for surgery in war time can be made as efficiently by British as by German manufacturers.

Fifteen million pounds' worth of electrical machinery was exported by Germany last year. Appliances for illumination and transmission accounted for £3,702,400 of this; dynamos, electric motors, etc., for £3,220,000, electric cables (submarine or subterranean) for £1,963,000, and electric measuring apparatus for £1,211,500. Of Germany's extensive export of spinning machines, Great Britain has taken a large share.

Germany's dealings with the British Colonies have been steadily growing in recent years. The granting of British capital to such undeveloped countries as Australia, India, South Africa, Canada, the Straits Settlements, and the West Coast of Africa has increased the purchasing powers of these countries, and Germany has materially benefited thereby. It now remains for these Colonies to join hands in the Imperial task

of depriving Germany of their patronage. In no way can the Dominions beyond the Seas better serve their Mother-country at this critical moment than by diverting all their engineering orders from German to British channels.

CHAPTER XVII

Austrian Hats

It may not be generally known that Austria has a considerable trade with the country in hats. Of a total export of the value of £1,180,300, rather more than a quarter has been sent to the United Kingdom.

The analysis of the imports shows that the following sums were paid last year by British firms for the articles mentioned :—

	£
Hair-felt hat shapes - -	24,000
Wool-felt shapes - - -	7,500
Men's and boys' hats :	
Hair-felt, not trimmed -	4,900
Wool-felt, ditto - - -	900
Hair-felt, trimmed - -	26,800
Wool-felt, ditto - - -	1,300
Women's and girls' hats :	
Other than straw and similar materials, not trimmed -	238,000
Trimmed - - - -	5,200

Germany's hat export was worth £294,000 in 1912, of which she received £26,500 from this country.

The Board of Trade memorandum explains that last year the United Kingdom took "women's and girls' hats other than straw" to the value of £243,700 from Austria-Hungary, this amount being over 60 per cent. of Austria's exports of these goods in that year.

A large market for fezzes, particularly in Turkey, India, British Africa, and Egypt is now open to British traders, Austria-Hungary having supplied these countries with £184,800 worth of fezzes in 1913.

CHAPTER XVIII

German Pianos

Again, the piano manufacturers of this country have never had a finer opportunity than the present to oust the cheap and even moderately expensive German instruments, not only from England and her Colonies, but from the great neutral markets.

"Roughly, about one hundred thousand pianos are turned out annually in this country," says Mr. Shenstone, the secretary of the Pianoforte Manufacturers' Association, "and we import in addition about 40,000 from Germany. That business, of course, can be captured, but we stand to gain most in the Colonies, particularly in Australia.

"About 80 per cent. of the pianos that go into Australia are of German make. The Germans get cheaper freights than we do, although they may be carried on British ships, the reason being

that the British shipping lines quote special freights to prevent competition with the German liners.

"The Australian preference to British piano makers is about 5 per cent., and we get 10 per cent. in New Zealand. But that 10 per cent. is practically nullified by the special freights which the Germans get. However, these things may be altered now.

"In addition to the Colonies, there ought to be fine opportunities in the South American markets for the English piano maker.

"Then take the home trade. The German manufacturer can send a piano from Germany to Manchester through one of the Eastern ports, and he is quoted much lower through rates than a British manufacturer would be to send a piano from the Eastern port to Manchester.

"But there is no question that British manufacturers will benefit now. No pianos are going from Germany to Australia, and none are coming here. The unfortunate part at the present moment, however, is that the British public are not buying pianos.

"As soon as the war began, a piano was the first thing that was cut off. But we anticipate in a short time a great number of inquiries from the Colonies. The Colonial orders that were on hand were cancelled for the time being

because credit was upset over there, as it was here.

"Several of our manufacturers are still working on full time, and we hope that generally things will soon turn round for the better."

CHAPTER XIX

Patriotic Shopping

Without doubt the greatest opportunities for the British manufacturer will arise in connection with the home demand. There are various trade organisations in existence which have striven for years past to press home the fact upon the public that many classes of British manufactured goods compare favourably in point of value and price with similar goods made on the Continent that have a readier sale. Their efforts were reinforced by the "All-British" shopping movement. The quality and even the superiority of many of our manufactures of the kind most usually bought from the Continent were then successfully demonstrated in a thousand shops throughout the country.

But the bias in favour of the foreign article has always been so pronounced that the results of that vindication cannot be said to have reached expectations. In regard to textiles, which were

principally concerned in the campaign, ladies, who are the principal consumers, have needed a great deal of convincing. If it is true the popular idea is that nobody can write music unless he has a foreign-sounding name, it is doubly true that millinery and wearing apparel subject to fashion's changes are looked at askance if known to be of British origin.

The cessation of supplies from the Continent affords our manufacturers a valuable opportunity to give this superstition its death-blow. Demand for the classes of goods made there will undoubtedly arise. It is only a question of a few more weeks of national security, and we shall find the old confidence of shoppers return, and probably the more pronounced by reason of its being a reaction. Acute manufacturers will bear this in mind at a time like the present, when the only possible line of action, short of closing their works, is " making for stock." It will be a good thing for many such firms to make for stock, and to continue doing so in anticipation of times when they will need to draw heavily on the accumulation. By so doing they will keep employment steady, and safeguard, though this may seem a remote contingency just now, against congestion of orders, many of which they may have to refuse through the absorption of their operatives by other trades and centres of employment.

To take one branch of the textile trade which has been passing through deplorably bad times of late—the lace trade. The depression has been largely attributed to changes of fashion, and beyond doubt this is partly the cause; but an even more important reason is the aggressiveness of Continental competition. Though Nottingham has held its own for standard lace products, the novelty field has been captured by foreign firms. Plauen and elsewhere have supplied the English market with perhaps four-fifths of our enormous supply of fancy lace novelties. Will Nottingham decline this opportunity so conveniently put into her hands?

Everywhere the tale could be repeated. In silks and dress materials, hosiery, gloves, fancy leather goods, and all the innumerable articles of attire of the "novelty" order, for which the Continent has practically a monopoly, there are big openings ahead for the British manufacturer. German toy manufacturers have put the British makers out of the running except for the better-class goods, in which there has been a revival of recent years. The disability was largely an economic one. We could not hope to compete with Germany's prices. But under the different conditions of the future there might be a different tale to tell.

CHAPTER XX

The Trader's Duty

The following official announcement has been issued by the Treasury for publication :

Some doubts having arisen as to the meaning and application of the proclamation against trading with the enemy, the Government authorise the following explanation to be published :

1. For the purpose of deciding what transactions with foreign traders are permitted the important thing is to consider where the foreign trader resides and carries on business, and not the nationality of the foreign trader.

2. Consequently there is, as a rule, no objection to British firms trading with German or Austrian firms established in neutral or British territory. What is prohibited is trade with any firms established in hostile territory.

3. If a firm with headquarters in hostile territory has a branch in neutral or British

territory, trade with the branch is (apart from prohibitions in special cases) permissible as long as the trade is bona-fide with the branch and no transaction with the head office is involved.

4. Commercial contracts entered into before war broke out with firms established in hostile territory cannot be performed during the war, and payments under them ought not to be made to such firms during the war. Where, however, nothing remains to be done save to pay for goods already delivered, or for services already rendered, there is no objection to making the payment.

Whether contracts entered into before war are suspended or terminated is a question of law which may depend on circumstances, and in cases of doubt British firms must consult their own legal advisers. This explanation is issued in order to promote confidence and certainty in British commercial transactions, but it must be understood that in case of need the Government will still be free to impose stricter regulations or special prohibitions in the national interest.

German articles patented in England are plentiful, and there is a great sale of them, especially as regards medicines, chemicals, and

dyes. These articles may now be made by British manufacturers. An official statement is to the following effect :

The Board of Trade have issued rules under the Patents, Designs, and Trade Marks (Temporary Rules) Act, 1914, regulating the procedure for the avoidance or suspension of any patent or licence granted to, or trade mark, the proprietor of which is a subject of any State at war with his Majesty.

Where an application is made to the Board for this purpose, they must be satisfied that the applicant intends to manufacture the article concerned or carry on the patented process, and also that it is in the public interest that this should be done.

The rules provide also for the avoidance or suspension of any application for a patent or trade mark by the subject of an enemy State. Copies of these rules may be obtained from the superintendent of the Sale Branch, Patent Office, 25, Southampton Buildings, W.C.

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